UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

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Plaintiffs,

v.

OPEN AI INC., OPENAI OPCO LLC, OPENAI GP LLC, OPENAI, LLC, OPENAI GLOBAL LLC, OAI CORPORATION LLC, OPENAI HOLDINGS LLC, OPENAI STARTUP FUND I LP, OPENAI STARTUP FUND GP I LLC, OPENAI STARTUP FUND MANAGEMENT LLC, and MICROSOFT CORPORATION,

Defendants.

JONATHAN ALTER, KAI BIRD, TAYLOR BRANCH, RICH COHEN, EUGENE LINDEN, DANIEL OKRENT, JULIAN SANCTON, HAMPTON SIDES, STACY SCHIFF, JAMES SHAPIRO, JIA TOLENTINO, and SIMON WINCHESTER, on behalf of themselves and all others similarly situated,

Plaintiffs,

v.

OPENAI, INC., OPENAI OPCO LLC, OPENAI GP, LLC, OPENAI GLOBAL LLC, OAI CORPORATION, LLC, OPENAI HOLDINGS, LLC, OPENAI STARTUP FUND I LP, OPENAI STARTUP FUND GP I LLC, OPENAI STARTUP FUND Consolidated Cases:

Case No. 1:23-cv-08292-SHS-OTW Case No. 1:23-cv-10211-SHS-OTW

MANAGEMENT LLC, and MICROSOFT CORPORATION,

Defendants.

DEFENDANT MICROSOFT CORPORATION'S MOTION FOR LEAVE TO FILE UNDER SEAL

Pursuant to Paragraph 25 of the Protective Order (ECF 338), Defendant Microsoft Corporation moves for leave to seal portions of its response to Plaintiffs' letter motion to compel inspection of late 2023 data ("Response"), as well as certain exhibits thereto. For the reasons stated below, Microsoft respectfully requests the Court grant Microsoft's Motion. Specifically, Microsoft requests that the highlighted portions of the sealed Response and Exhibits C and D thereto be sealed.

Although "[t]he common law right of public access to judicial documents is firmly rooted in our nation's history," this right is not absolute and courts "must balance competing considerations against" the presumption of access. *Lugosch v. Pyramid Co. of Onondaga*, 435 F.3d 110, 119–20 (2d Cir. 2006). "The proponent of sealing 'must demonstrat[e] that closure is essential to preserve higher values and is narrowly tailored to serve that interest." *Bernstein v. Bernstein Litowitz Berger & Grossman LLP*, 814 F.3d 132, 144 (2d Cir. 2016) (quoting *In re N.Y. Times Co.*, 828 F.2d 110, 116 (2d Cir. 1987)). "[T]he presumption of public access in filings submitted in connection with discovery disputes . . . is generally somewhat lower than the presumption applied to material introduced at trial, or in connection with dispositive motions" *Brown v. Maxwell*, 929 F.3d 41, 50 (2d Cir. 2019). "[W]hile a court must still articulate specific and substantial reasons for sealing such material, the reasons usually need not be as compelling as those required to seal summary judgment filings." *Id*.

The Response contains descriptions of confidential documents, including Exhibits C and D, the disclosure of which would unfairly prejudice Microsoft. Exhibits C and D to the Response,

which have been designated "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY" pursuant to the Protective Order, contain highly confidential information about the terms of and ongoing work pursuant to Microsoft's agreement with OpenAI. *See* Ex. A (Declaration of Lucky Vidmar). Similarly, the Response contains descriptions of Exhibits 1 (ECF 363-1), 3 (ECF 363-3), 5 (ECF 363-5) and 6 (ECF 363-6) to Plaintiffs' letter motion to compel, which are also confidential documents that have been designated "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY" pursuant to the Protective Order and contain highly confidential information about the terms of and ongoing work pursuant to Microsoft's agreement with OpenAI. *See id.* Microsoft requests that the highlighted portions of the sealed Response are sealed from the public and Exhibits C and D be sealed in their entirety.

The information Microsoft seeks to seal and redact is the type of information commonly found to warrant sealing. *See Regeneron Pharms., Inc. v. Novartis Pharma AG*, No. 1:20-CV-05502, 2021 WL 243943 (S.D.N.Y. Jan. 25, 2021) (finding that requested redactions were "narrowly tailored to protect competitive business information, including the non-public terms of [various agreements]" and concluding "that the sensitivity of this information outweighs the presumption of access"); *Louis Vuitton Malletier S.A. v. Sunny Merch. Corp.*, 97 F. Supp. 3d 485, 511 (S.D.N.Y. 2015) (citation omitted) (concluding that proposed redactions were "generally limited to specific business information and strategies, which, if revealed, 'may provide valuable insights into a company's current business practices that a competitor would seek to exploit."").

For the reasons stated above, and those set forth in the Declaration of Lucky Vidmar, Microsoft respectfully requests that Microsoft's Motion is granted and that the highlighted portions of the sealed Response are sealed from the public and Exhibits C and D be sealed in their entirety.

Dated: April 3, 2025 Respectfully submitted,

<u>/s/ Jared B. Briant</u>

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